IPO REVIEW

Crazy Snacks IPO

By **Dilip Davda** · SEBI Registered Research Analyst · Reg. No. INH000003127 Reviewed on 24 June 2026

- The company is engaged in offering wide range of bakery and namkeen products.
- It currently markets its products in UP and Bihar, thus a north centric player.
- The company marked inconsistency in its top lines for the reported periods.
- However, it posted growth in its bottom lines for the reported periods.
- Higher profits from FY25 onward appears to be a window dressing to fetch fancy valuations.
- There is no harm in staying away from this aggressively priced offer from company has poor compliance.
- Though this IPO is opening for subscription on June 25, 2026, its offer documents were not available in public domain like the designated exchange (BSE), merchant banker (Inventure Merchant Banker) or the company website, which is really surprising, as at least three days before the IPO, such compliances are needs to be observed. Should one subscribe to this issue? The company website had financial track record only till FY23-24 and draft prospectus (filed in December 2024) as of this morning (i.e., June 23.06.26) status, indicating many lapses on compliance part. How this issue is approved by the designated exchange is a million dollar question. Investors should avoid such non-compliant company offers. DRHP was filed for lower size of the IPO for 6998000 shares (including 1398000 shares under OFS). Now as per IPO Ad, it is floating a total IPO for 7494000 equity shares (including 1495000 shares under OFS). Though its RHP is dated June 19, 2026, it was not available on designated exchange web till this eve (i.e., June 23, 2026, till 20.10 pm).

About the Company

Crazy Snacks Ltd. (CSL) primarily operates in UP, and Bihar. The company derives around 99% revenues from these two states only. It has extensive distribution network of 2045 distributors. It has a fleet of 35 vehicles to take care of deliveries to support its distributors network.

The company offers a wide range of bakery products to meet every day needs of Indian consumers. Its portfolio includes bread, buns, cakes, rusks with 150 products priced between Rs. 2 – Rs. 150. It offers its products under three brands – “Crazy”, “Bity”, and “Baked Gold”. The company is manufacturing and marketing affordable quality products and enjoys good markets in northern region. Its product category falls under Economy, Semi-premium and Premium segments. It has expanded its offering with Namkeen, Chips and has thus widen its products. As of January 31, 2026, it had overall 347 employees including contract workers.

Issue Details / Capital History

The company is coming out with its maiden book building route combo IPO of 7494000 equity shares of Rs. 10 each to mobilize Rs. 31.47 cr. The IPO consists of 5999000 fresh equity shares (worth Rs. 25.19 cr. at the upper cap), and an Offer for Sale (OFS) of 1495000 equity shares (worth Rs. 6.28 cr. at the upper cap. CSL has announced the price band of Rs. 39 – Rs. 42 per share. The minimum application to be made is for 6000 shares and in multiples of 3000 shares thereon, thereafter. The issue opens for subscription on June 25, 2026 and will close on June 30, 2026. The shares will be listed on BSE SME. The IPO constitute 31.31% of the post-IPO paid-up capital of the company. From the net proceeds of the issue, the company will utilize Rs. 5.71 cr. for repayment/prepayment of certain borrowings, Rs. 9.92 cr. for capex on purchase of machinery, equipment for existing facility, and the rest for general corporate purposes.

The IPO is solely lead managed by Inventure Merchant Banker Services Pvt. Ltd., and KFin Technologies Ltd. is the registrar to the issue. Alacrity Securities Ltd. is a market maker.

After issuing initial equity capital at par value, the company issued/converted further equity shares in the price range of Rs. 31.50 – Rs. 1493 (based on FV of Rs. 10) between March 2015, and November 2021. It has also issued bonus shares in the ratio of 19 for 2 in November 2024. The average cost of acquisition of shares by the promoters/selling stakeholders is Rs. 2.84, and Rs. 3.72 per share.

Post-IPO, company’s current paid-up equity capital of Rs. 17.94 cr. will stand enhanced to Rs. 23.94 cr. Based on the upper band of the IPO pricing, the company is looking for a market cap of Rs. 100.54 cr.

Financial Performance

On the financial performance front, for the last three fiscals, the company has posted total income/ net profit, of Rs. 89.17 cr. / Rs. 3.54 cr. (FY23), Rs. 129.08 cr. / Rs. 5.32 cr. (FY24), Rs. 111.63 cr. / Rs. 6.33 cr. (FY25). For 9M of FY26 ended on December 31, 2025, it earned a net profit of Rs/ 6.00 cr. on a total income of Rs. 87.56 cr. Higher margins with boosted profits from FY25 onwards appears to be a window dressing to fetch fancy valuations for the IPO. Its debt equity ratio of 1.63 as of December 31, 2025raises alarm.

For the last three fiscals, the company has reported an average EPS of Rs. 3.08 and an average RoNW of 16.57%. The issue is priced at a P/BV of 2.05 based on its NAV of Rs. 20.45 per share as of March 31, 2025, and at a P/BV of 1.48 based on its post IPO NAV of Rs. 28.36 per share, at the upper cap.

If we attribute FY26 annualized super earnings to its post-IPO fully diluted paid-up equity capital, then the asking price is at a P/E of 12.57, and based on FY25 earnings, the P/E stands at 15.85. The issue appears aggressively priced based on its recent earnings.

The company has posted PAT Margins of 3.97% (FY23), 4.17% (FY24), 5.69% (FY25) 6.85% (9M-FY26), and ROCE margins of 11.00%, 14.45%, 12.37%, 10.08%, respectively for referred periods.

Dividend Policy

The company has not paid any dividends since its incorporation. It will adopt a prudent dividend policy, based on its financial performance and future prospects.

Comparison with Listed Peers

As per the offer document, the company has shown Annapurna Swadisht, Anjani Foods, as its listed peers. They are trading at a P/E of 9.40 and 48.5 (as pf June 23, 2026). However, they are not truly comparable on an apple-to-apple basis. This compare appears as an eyewash.

Merchant Banker's Track Record

This is the 11th mandate from Inventure Merchant in the last four fiscals (including the ongoing one). Out of the last 10 listings, 2 opened at discount, 1 and par and the rest with premium of 0.37% to 90% on the date of listing.

Conclusion / Investment Strategy

CSL is engaged in offering wide range of bakery and namkeen products. It currently markets its products in UP and Bihar, thus a north centric player. The company marked inconsistency in its top lines for the reported periods. However, it posted growth in its bottom lines for the reported periods. Higher profits from FY25 onward appears to be a window dressing to fetch fancy valuations. There is no harm in staying away from this aggressively priced offer from company has poor compliance.

About Dilip Davda

Dilip Davda is a veteran financial journalist associated with the Indian stock market since 1978. He has been contributing to print and electronic media on capital markets, insurance, and finance since 1985. He is widely recognized for reviewing public issues and non-convertible debentures (NCDs) in the primary market, with a special emphasis on SME public issues.

SEBI Registered Research Analyst – Mumbai · Registration No.: INH000003127 (Perpetual)

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